

175.2 Definitions.

1. As used in this chapter, unless the context otherwise requires:

a. "*Agricultural assets*" means agricultural land, depreciable agricultural property, crops, or livestock.

b. "*Agricultural improvements*" means any improvements, buildings, structures or fixtures suitable for use in farming which are located on agricultural land. "*Agricultural improvements*" includes a single-family dwelling located on agricultural land which is or will be occupied by the beginning farmer and structures attached to or incidental to the use of the dwelling.

c. "*Agricultural land*" means land suitable for use in farming.

d. "*Agricultural producer*" means a person that engages or wishes to engage or intends to engage in the business of producing and marketing agricultural produce in this state.

e. "*Authority*" means the agricultural development authority established in section 175.3.

f. "*Bankhead-Jones Farm Tenant Act*" means the Act cited as 50 Stat. 522 (1937), formerly codified as 7 U.S.C. § 1000 et seq., repealed by Pub. L. No. 87-128 (1961).

g. "*Beginning farmer*" means an individual, partnership, family farm corporation, or family farm limited liability company, as defined in section 9H.1, with a low or moderate net worth that engages in farming or wishes to engage in farming.

h. "*Bonds*" means bonds issued by the authority pursuant to this chapter.

i. "*Conservation farm equipment*" means the specialized planters, cultivators, and tillage equipment used for reduced tillage or no-till planting of row crops.

j. "*Depreciable agricultural property*" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code as defined in section 422.3.

k. "*Farming*" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, the production of forest products, or other activities designated by the authority by rules subject to chapter 17A.

l. "*Lending institution*" means a bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any state or federal governmental agency or instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make farm operating loans in this state.

m. "*Low or moderate net worth*" means:

(1) For an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than three hundred thousand dollars.

(2) For a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than six hundred thousand dollars. However, the aggregate net worth of each partner and that partner's spouse and minor children shall not exceed three hundred thousand dollars.

(3) For a family farm corporation, an aggregate net worth of all shareholders, including the value of each shareholder's share in the family farm corporation, and each shareholder's spouse and minor children of less than six hundred thousand dollars. However, the aggregate net worth of each shareholder and that shareholder's spouse and minor children shall not exceed three hundred thousand dollars.

(4) For a family farm limited liability company, an aggregate net worth of all members, including each member's ownership interest in the family farm limited liability company, and each member's spouse and minor children of less than six hundred thousand dollars. However, the aggregate net worth of each member and that member's spouse and minor children shall not exceed three hundred thousand dollars.

n. "Mortgage" means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions and encumbrances acceptable to the authority, including any other mortgage liens of equal standing with or subordinate to the mortgage loan retained by a seller or conveyed to a mortgage lender, on a fee interest in agricultural land and agricultural improvements.

o. "Mortgage lender" means a bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any state or federal governmental agency or instrumentality, including without limitation the federal land bank or any of its local associations, or any other financial institution or entity authorized to make mortgage loans or secured loans in this state.

p. "Mortgage loan" means a financial obligation secured by a mortgage.

q. "Net worth" means a person's total assets minus total liabilities as determined in accordance with generally accepted accounting principles with appropriate exceptions and exemptions reasonably related to an equitable determination of a person's net worth. Assets shall be valued at fair market value.

r. "Note" means a bond anticipation note or other obligation or evidence of indebtedness issued by the authority pursuant to this chapter.

s. "Permanent soil and water conservation practices" and *"temporary soil and water conservation practices"* have the same meaning as defined in section 161A.42.

t. "Secured loan" means a financial obligation secured by a chattel mortgage, security agreement or other instrument creating a lien on an interest in depreciable agricultural property.

u. "State agency" means any board, commission, department, public officer, or other agency or authority of the state of Iowa.

2. The authority may establish by rule further definitions applicable to this chapter and clarification of the definitions in this section, as necessary to assure eligibility for funds, insurance or guarantees available under federal laws and to carry out the public purposes of this chapter.

[C81, § 175.2; 81 Acts, ch 68, § 2; 82 Acts, ch 1243, § 2]

83 Acts, ch 93, § 1; 84 Acts, ch 1305, § 23; 85 Acts, ch 15, §1, 2; 86 Acts, ch 1026, § 1, 2; 86 Acts, ch 1027, § 1; 86 Acts, ch 1245, § 628; 87 Acts, ch 52, § 1; 87 Acts, ch 169, § 1; 94 Acts, ch 1118, §13; 2000 Acts, ch 1010, §1, 2; 2006 Acts, ch 1161, §1, 7

2006 amendment adding subsection 1, paragraph a, takes effect January 1, 2007, and applies to tax years beginning on or after that date; 2006 Acts, ch 1161, §7